



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**San Bernardino County
California**

For the Fiscal Year Beginning

July 1, 2011

Linda C. Danson Jeffrey R. Enos

President

Executive Director

INTEROFFICE MEMO



County of San Bernardino

DATE May 25, 2012**PHONE** 387-5417**FROM** GREGORY C. DEVEREAUX
Chief Executive Officer**TO** MEMBERS
Board of Supervisors

SUBJECT 2012-13 RECOMMENDED BUDGET

On June 30, 2011, the Board of Supervisors and the San Bernardino Associated Governments (SANBAG) Board adopted a Countywide Vision, which has since been adopted by nearly every city and town in the County as well as many school, water, and special districts. This fulfilled a key goal established by the Board of Supervisors, and has provides County government with clearer direction as it makes budget decisions.

The Countywide Vision calls for the creation of a "complete county" that capitalizes on its many assets to collaboratively establish a sustainable system of economic opportunity, education, well-being and amenities. In this document you will see that the County organization incorporated the Countywide Vision's elements and values into the 2012-13 Recommended Budget.

I hereby submit for the Board's consideration the 2012-13 Recommended Budget, guided by the Countywide Vision. This budget of \$4.06 billion lays the framework to achieve the "complete county" by allocating resources to achieve Board priorities and objectives. The 2012-13 Recommended Budget has been balanced and is consistent with policy direction received from the Board of Supervisors. No reserves are being used to fund ongoing costs. There is limited use of one-time sources to fund costs as part of a multi-year plan to address the five-year structural deficit, which is consistent with county policy. The 2012-13 Recommended Budget addresses the following key issues:

- A continuing structural budget deficit in both the General Fund and the Fire District;
- Underfunded programs/projects, in Land Use Services and Public Works which could result in service deficiencies;
- Unaddressed needs for basic operating systems, such as maintenance, support, and upgrade of countywide applications;
- Facility needs, such as the Downtown Building Project and the Sheriff/Coroner/Public Administrator's Crime Lab and Aviation Facility.

In May 2011, a plan was implemented to eliminate the cumulative five-year structural deficit for fiscal years 2011-12 through 2015-16. The County continues to focus on this five-year period. The County has resolved the 2011-12 structural deficit, so the 2012-13 Recommended Budget focuses on the remaining \$91.5 million cumulative structural budget deficit though 2015-16, of which \$33.2 million pertains to 2012-13. Significant ongoing issues include declining revenues, previously negotiated salary and benefit increases, retirement cost increases, a necessary increase to the County Fire subsidy, and additional staffing requirements for the Sheriff/Coroner/Public Administrator Adelanto Detention Center Expansion.